

INFORMATION PAPER

SAFM-RBA
5 May 1997

SUBJECT: DoD's Quadrennial Defense Review--Background and Analysis

1. Purpose

The discussion below reports progress, origins, and the intent of the Quadrennial Defense Review (QDR). When asked what the QDR was, Deputy Defense Secretary John White answered that "It will be nothing less than a reassessment of America's defense strategy, force structure, military modernization programs and defense infrastructure." This paper avoids details relating to specific weapons programs, and systems that currently contend for preservation during the QDR process.

It does, however, give an overview of the DoD studies which preceded the QDR, the interrelationship between the QDR and the budget process, and the QDR itself. At the time of this writing, a draft QDR report is being circulated for comment and will be submitted to Congress on 15 May 1997.

2. Discussion and Analysis.

A. History. The QDR cannot be considered in isolation. It must instead be viewed as just one in a series of DoD studies conducted since the peak of the Reagan Defense buildup. A decade of analysis built mainly around a declining, then non-existent, Soviet military has necessitated a continuous reevaluation of our national security interests. Nevertheless, threats from terrorism, rogue states, narcotics traffickers, and requirements to perform Operations Other Than War, have continued to retain the attention of military strategists and require a significant share of the federal budget.

The most far-reaching Defense reorganization since the 1947 National Security Act (together with the 1949 Amendments), was the 1986 Goldwater-Nichols DoD Reorganization Act. Generally mentioned with the 1986 Packard Commission's recommendations to streamline and reengineer DoD management and acquisition processes, the Goldwater-Nichols Act realigned the balance of power in the military services, enhanced the role of the JCS, and empowered the CINCs (combatant commanders).

In response to the Packard critique, DoD initiated the 1989 Defense Management Review (**DMR**), which outlined steps to improve DOD management and acquisition strategies during the Bush years. This study led to the 1991 "Base Force" framed by then-Joint Chiefs Chairman Colin Powell and Secretary Dick Cheney. During President Clinton's first term, Defense Secretary Les Aspin produced the October 1993 Bottom-Up Review (**BUR**), a study intended to address post-Cold War realities. The BUR's central premise, that national military strategy, programs, and force requirements should be based on retaining the capability to wage two nearly simultaneous regional conflicts, has been widely criticized since its initial fielding. Nevertheless, the BUR remains, (combined with the Clinton Administration's "Engagement and Enlargement"

national defense theme), the US military's overarching strategy. The scenario of two nearly-simultaneous regional conflicts is a premise on which force structure defenders heavily rely.

A commission on roles and missions (**CORM**) was required by the FY94 Defense Authorization Act to evaluate the military's structure and recommend changes. Dr. John E. White, the then incoming Deputy Secretary of Defense, oversaw the CORM study which was issued in May 1995. The QDR was intended to modify the BUR, answer lingering questions raised by the CORM, and create a new strategy for the armed forces of the 21st century. The BUR underestimated the consequences of budget cuts coupled with prolonged, manpower-intensive military operations like those performed in Africa and the former Yugoslavia. Unlike 1989's Operation Just Cause in Panama, which was characterized by a speedy troop withdrawal, the mission in Bosnia has been extended and Operation Provide Comfort (now Operation Southern and Northern Watch) in Iraq have continued since 1991. The QDR intends to be more strategy- than budget-driven.

The Military Force Structure Act of 1996 creates a national defense panel (NDP) to review the 2005-focused QDR and conduct an independent assessment of force structures through 2010 and beyond. Currently consisting of representatives from academia, private industry, and retired flag and general officers, the NDP, headed by Dr. Philip A. Odeen of BDM Corporation, was created to independently critique the proposals that will emerge from the QDR process. The nine-member NDP is required to: (1) Independently assess the QDR; (2) Examine near- and long-term threats; (3) Develop military scenarios; and (4) Present recommendations on force structure (to include budget estimates in constant FY97 dollars to sustain the force).

B. QDR Objectives. The QDR report due to Congress by 15 May 1997, in accordance with the FY97 Defense Authorization requirements, will include an evaluation of: (1) Defense strategy and the force structure required to sustain it; (2) Threats to the national security; (3) Assumptions used in the QDR process; (4) The role of Operations Other Than War and peacekeeping operations; (5) The role technology will play through the year 2005; (6) Manpower and support requirements necessary to engage in conflicts lasting more than 120 days; (7) Future roles of the reserve components; (8) Estimated ratio of combat-to-support forces; (9) The air- and sea-lift capacity needed to support overarching defense strategy; (10) Pre-positioning requirements to deter conflict; (11) Resource shift prerequisites in the event of conflict in two or more theaters covered by the defense strategy; and (12) The Unified Command Plan.

C. QDR Structure and Focus. The QDR is a truly "joint effort" involving OSD, JCS, the CINCs, and the Services. The Secretary of Defense and the Chairman of the Joint Chiefs of Staff oversee the QDR process. A Steering Group, which includes the Undersecretary of Defense, oversees an Integration Group, which consists of seven panels. The panels are examining Defense strategy, force structure, modernization, readiness, infrastructure, human resources, and information operations and intelligence.

As May 15th grew closer, Secretary Cohen replaced the Integration Group and the Steering Group with a QDR Executive Session (which includes the vice chiefs of staff of each service and the vice chairman of the JCS) and a SECDEF Review Group (SDR), composed of the Joint Chiefs of Staff, Deputy Defense secretary, Assistant Secretary of Defense for Strategy and Requirements, and Director of Program Analysis and Evaluation. Dr. Odeen of the NDP also sits

on the SDR. Secretary Cohen also created a QDR advisory panel (a "Tiger Team") in April to focus on possible streamlining of many activities to include the DoD health care system (e.g., CHAMPUS), Defense Intelligence Agency, National Security Agency, National Reconnaissance Office, Defense Airborne Reconnaissance Office, National Imagery and Mapping Agency, the American Forces Information Service (AFIS), Ballistic Missile Defense Organization, Defense Commissary Agency, the Defense Investigative Service, and Defense Logistics Agency.

The QDR report is due to Congress on May 15; the NDP's report is due in December. The QDR's overarching goal is to fundamentally review America's defense assumptions and, as Deputy Secretary of Defense John White said in a speech to the Association of the United States Army on February 24, 1997, "touch off a national debate over how to defend our country in the 21st Century."

D. Fundamental Problems.

1. *Infrastructure vs. Programs.* As of this writing, cuts in infrastructure to meet deficit reduction requirements and feed modernization accounts are far more likely than cuts in programs. Similarly, larger cuts in civilian rather than uniformed forces can be anticipated. The requested increases in general and flag officers by the Services will not receive congressional action until the QDR process is completed. The Army's military component is highly concerned with force structure--senior Army leadership, for example, is adamantly against dropping below 10 active-duty divisions and the 495,000 troop ceiling. Nevertheless, blueprints of the QDR project personnel losses of approximately 45,000 for the Army to be taken over FY98-03. The Army is also concerned that Force XXI initiatives could suffer if personnel is deeply cut.

2. *Budget Issues.* The basic choice for DoD over the next ten years is between capital investment and manpower. Additionally, in an effort to save money, the private sector will be relied upon to absorb more of the "support" missions currently performed in-house on the premise that generally this is the less-costly approach. A reduced force will require fewer military bases, one of the facts that invite another BRAC round. Funding for the DoD over the next five years probably will remain flat and range between \$245-\$250 billion in constant FY97 dollars.

Currently, this is how the QDR will interface with the budget formulation process. After the QDR is issued, the components will be given 10 weeks to develop their FY98-03 Planning, Programming and Budgeting Schedule, and will submit Program Objectives Memoranda (POMs) reflecting OSD's QDR requirements by August 22, 1997. The Director of Program Analysis and Evaluation will work with the Services and Defense agencies to streamline data for POM submissions. After the POM submissions, a program review will be conducted in September and October to determine their compliance with QDR direction. After due deliberation, a single Program Decision Memorandum will be issued in mid-October. The budget review will begin in late September and run through December.

The QDR is expected to have better linkage in terms of budget numbers with the Future Years Defense Program (FYDP) than did the BUR. There is a great fear that the QDR will only have linkage to the JCS' Defense Program Projection, a distant outyear forecast that considers few funding constraints. QDR overseers have assured Congress that the QDR will crosswalk to the

budget number in the FYDP. Of interest to the Army will be the interrelationship the QDR will have with Army XXI and the Army After Next vision statements.

3. QDR Milestones.

- June 1996 -- Lieberman Defense Amendment created a nonpartisan NDP to review and modify US defense strategy, force structure, force modernization plans, infrastructure and other defense program elements into the next century.
- December 1, 1996 -- SECDEF required to establish NDP
- February 1997 -- Secretary Cohen replaces three members NDP team selected during Secretary Perry's tenure.
- March 14, 1997 -- Midterm QDR progress report due to Congress.
- April 1997 -- Secretary Cohen creates a 7-member QDR advisory panel to assist with eliminating duplication in defense-wide agencies and field offices.
- May 15, 1997 -- QDR report due to Congress.
- December 15, 1997 -- NDP submits to Congress an independent analysis of QDR recommendations together with Secretary Cohen's comments.

4. Next Update.

The May 15th DoD report to Congress will mark the next significant development in the QDR process. This office will provide a summary of the QDR report as soon as possible after it is officially issued on May 19th. In addition, to receive daily updates on the QDR, a free listserve is offered by CDI Corporation. Moderated by retired Col. Dan Smith (dsmith@mail.cdi.org), send a "subscribe" message to majordomo@cdi.org to join. Additionally, the *Pentagon Early Bird*, *Supplement*, and *Radio TV Defense Dialogue* (published by the Current News and Analysis Research Service, a directorate under AFIS), is available on-line and is the best single headquarters resource for studying the QDR.

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